

AMENDED IN ASSEMBLY APRIL 28, 2009

AMENDED IN ASSEMBLY MARCH 23, 2009

CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

ASSEMBLY BILL

No. 879

Introduced by Assembly Member Hernandez

February 26, 2009

An act to add Section 3702.11 to the Labor Code, relating to workers' compensation.

LEGISLATIVE COUNSEL'S DIGEST

AB 879, as amended, Hernandez. Workers' compensation: self-insurers: financial audits.

Existing law establishes a workers' compensation system, administered by the Administrative Director of the Division of Workers' Compensation, to compensate an employee for injuries sustained in the course of his or her employment.

Existing law requires the administrative director to conduct audits of insurers, self-insured employers, and 3rd-party administrators to ensure that injured workers are promptly and accurately receiving the full measure of compensation they are entitled to receive.

This bill would require a group self-insurer to annually file with the director an audited financial statement and an actuarial ~~analysis of its historical loss development~~ *certification of reserve adequacy*, as prescribed. The bill would require that the audited financial statement and actuarial ~~analysis~~ *certification* be made available to the public, as prescribed.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. Section 3702.11 is added to the Labor Code, to read:

3702.11. (a) A group self-insurer shall annually file both of the following with the director, in the form prescribed by the director:

(1) An audited financial statement prepared by an independent, certified public accountant.

~~(2) An actuarial analysis, by program year, done of the group self-insurer's historical claim loss development, performed by an~~

(2) *An actuarial certification of reserve adequacy by program year performed by an independent actuary who is an associate or a fellow of the Casualty Actuary Society or a member of the American Academy of Actuaries.*

(b) The audited financial statement and actuarial ~~analysis~~ *certification* shall be made available to the public, except that ~~no~~ individually identifiable claimant ~~or information and~~ individual member financial information shall *not* be made public.